

## By the United States in Congress assembled. September 18, 1786

**By the UNITED STATES in CONGRESS assembled. *SEPTEMBER 18, 1786.***

**The** committee, consisting of Mr. Pinckney, Mr. St. Clair, and Mr. Harrison, to whom was referred a letter of the 12th from the board of treasury, together with a letter from the commissioner of the loan-office in the state of Rhode-Island, and an act of the legislature of that state; having reported,—

“That it appears from these communications, the legislature of the state of Rhode-Island, by an act passed at their last session, have made the paper currency of that state receivable on all arrears of taxes due to the United States; that as this explanation of the law of the state, relative to the late requisitions of Congress, entirely defeats the intentions of those acts, the commissioner of the loan-office has suspended the issue of indents in that state, on the requisition of the 27th September, 1785, until he should receive the directions of the board of treasury on that subject. The board farther remark, that the legislature of the state of New-Jersey, have also made their paper currency receivable on the arrears of taxes due on the requisition of the 27th and 28th April, 1784. On this statement the committee observe, that as the requisitions of Congress are calculated for the purpose of requiring from the states a sufficient sum for the payment of the interest due on the foreign and domestic debt, and the maintenance of the civil department, no deviation can be admitted from the mode of payment therein established, without exposing the funds of the United States to great loss and inconvenience, particularly as the discharge of the interest due on the foreign debt, and the maintenance of the civil government, must altogether depend upon the payments that are made into the federal treasury in specie. That to admit the receipt of bills of credit issued under the authority of an individual state, in discharge of their specie proportion of a requisition, would defeat

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its object, as the said bills do not circulate out of the limits of the state in which they are emitted, and because a paper medium of any state, however well funded, cannot, either in the extensiveness of its circulation, or in the course of its exchange, be equally valuable with gold or silver, That if the bills of credit of the states of Rhode-Island and New-Jersey, were to be received from those states in discharge of federal taxes upon the principles of equal justice, bills emitted by any other state must be received from them also in payment of their proportions, and thereby instead of the requisitions yielding a sum in actual money, nothing but paper would be brought into the federal treasury, which would be wholly inapplicable to the payment of any part of the interest or principal of the foreign debt, or the maintenance of the government of the United States. That as the consequences of the precedents which have been established by the states abovementioned, are dangerous to the interests of the union, the committee conceive it necessary for Congress to express their sense upon the subject." Whereupon,

**RESOLVED**, That as the annual requisitions of the United States in Congress assembled, were made by them in virtue of the powers of the confederation, and for the necessary purposes of government , the same are obligatory on the states as such, and ought to be discharged by them in the manner by the said requisitions directed, and in no other.

**RESOLVED**, That as the payment of the interest, and such parts of the principal, of the foreign debt of the United States, as are included in any of the requisitions of Congress; and the maintenance of the federal government cannot be provided for but by payments in specie into the federal treasury of the sums respectively required of the states therein, no payments, either in bills of credit, or in any other mode than those pointed out by the said requisitions, can or ought to be admitted in discharge of the same.

**ORDERED**, That the board of treasury transmit a copy of the above resolutions to each state, and issue instructions to the respective loan-offices conformable thereto.

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Resolution respecting Payments on the requisitions to be referred to the committee on &  
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